



Department of Energy
Washington, D. C. 20685

July 26, 2007

MEMORANDUM FOR: Program Resource Managers

FROM: Howard G. Borgstrom
Working Capital Fund Manager

A handwritten signature in cursive script, likely of Howard G. Borgstrom, is positioned to the right of the "FROM:" line.

SUBJECT: FY 2009 Budget Projections for Working Capital Fund

Introduction

This memorandum and its attachments provide projections for the Working Capital Fund components of your FY 2009 OMB Budget requests. Table D repeats the estimates we provided to you in April based on then – current pricing policies. Table E reflects changes for the items added to the Fund pursuant to Board action during the Corporate Review Process in May, a net FY 2009 increase of \$31.3 million. Table F provides the sum of Tables D and E. The draft minutes of the May 23, 2007 are available online at www.wcf.doe.gov.

General

The Working Capital Fund provides a framework for managing certain common administrative services within the Department. An underlying goal is to give program office customers the opportunity, incentive, and information to make cost-effective decisions regarding their use of such services. While the Fund staff supplies customers with good faith estimates of future spending patterns, there are numerous ways in which customers themselves will determine their level of usage. In some cases, customers may choose to acquire services outside the Fund, and in other cases, customers may make tradeoffs to expand their use of Fund services in order to reduce other costs, including travel or contractual services. Furthermore, customers already appear to have made tradeoffs within the services provided through the Fund, including reduced use of paper and copying through increased reliance on electronic communication. Finally, the current pricing policies of certain businesses permit business line managers and customers to enter into bilateral agreements for special services over and above standard service levels. Examples include major building alterations and special group training arrangements in the PMCDP.

Because of these opportunities for customer choice, customer organizations are responsible for

developing budgets based on their best understanding of likely future needs. The estimates provided in the attachments are intended only as guidance based on patterns that have been identified by the Fund business line and financial staff based on standard service levels and current policies.

Outyear Estimates

The detailed estimates provided in the attachments extend only to FY 2009 and are linked to current pricing policies and those changes recently approved by the WCF Board. Customers will need to make their own judgments about any real changes to consumption levels in future years for purposes of the five-year budget estimates. To reflect the effects of inflation, we recommend use of 2.5% annual price growth after 2009. This is a composite of the 3% price growth forecast by GSA for rental payments (about half of the WCF costs for many customers) and the 2.1 % estimate in the FY 2008 budget guidance. Also, OMB is using 2.4 % as the annual change in the deflator for non-Defense government costs.

Impact of Budget Decisions on Business Lines:

Although the changes to WCF businesses will total \$31.3 million, the net increase to program accounts will be \$15.8 million because DCAA audits (\$15.5 million) are already funded in program accounts. The impact on individual business lines is presented in Table E (attached) and discussed below:

The **Mail Business Line** increases \$425 thousand to include the shuttle bus between Germantown and Forrestal buildings.

The **Copy Business Line** increases \$892 thousand to include charges for the LAI contract and couriers and messenger services.

The **Printing and Graphics Business Line** increases \$290 thousand to include charges for the LAI contract.

The **Building Business Line** increases \$8,738 thousand to include charges for the Stairwell Safe Haven project (\$2.0 million), LAI contract (\$5.5 million), and new services for Property Management, Transportation, and Travel Support (\$1.2 million).

The **Procurement Management Business Line** increases by \$15,455 thousand to include DCAA Audits.

The **Corporate Training Services (Online Learning Center)** increases by \$1.2 million to fund enhancements predicated by the e-gov initiative.

The **STARS Business Line** becomes the **I-Manage Business Line** to accommodate the addition of the automated procurement system STRIPES (\$2.4 million) and the Oak Ridge Financial

Service Center (\$0.8 million) and increases to STARS (\$1.0 million)

Questions?

Program organizations are invited to ask questions or seek clarification. Please feel free to contact Howard Borgstrom (6-5923), Bob Emond (6-2354), or any of the business line points-of-contact listed below.

BUSINESS LINE	BILLING CONTACT	TELEPHONE
Administrative Services: Building Occupancy Supplies Mail Printing and Graphics Copying	Michael Wolfe	(202) 586-1321
Information Management: Telephones Desktop Services Networking	Ann Warnick Judy Saylor Ann Warnick Judy Saylor	(301) 903-3056 (301) 903-4999 (301) 903-3056 (301) 903-4999
Contract Closeout	Jeff Rubenstein	(202) 287-1516
Payroll Processing	Jerry Odegard	(301) 903-4934
CHRIS	Michael Fraser	(202) 586-1910
Corporate Training Services (CTS) On Line Learning Center (OLC) Training Delivery & Services (TDS)	Cheri Dent	(202) 586-9556
Project Mgt. Dev. Program (PMCDP)	Wanda Chambers	(202) 586-8114
STARS/Internal Reporting	Bob Emond	(202) 586-2354
A-123	Brian Boos	(301) 903-3858

The attached tables will be available after July 31 on the Working Capital Fund Home Page at <http://www.wcf.doe.gov>.

cc: Working Capital Fund Board
Business Line Managers

PROJECTED CUSTOMER COSTS FY 2009
(\$ IN THOUSANDS)

Table D

ORG CODE	SUPPLY	MAIL	COPYING SERVICE	PRINTING & GRAPHICS	BLDG OCCUP	PHONE SERVICE	NETWORK	PROCUREMENT MGT	PAYROLL & CHRIS	CORP TRAINING SERV	PROJECT MANAGEMENT CAREER DEVELOPMENT PROGRAM	STARS	INTERNAL CONTROL	INDIRECT	TOTAL ALL ACTIVITIES	
BPA	1	17	28	22	116	12	47	0	0	6	0	0	0		249	BPA
CF	152	84	140	142	3,082	345	525	20	89	33	31	6	8	120	4,777	CF
CI	24	36	29	52	529	70	41	2	11	5	0	1	1		801	CI
CN	11	24	30	39	0	531	14	1	0	3	3	0	0		656	CN
DR	0	0	0	0	0	0	0	0	0	0	0	0	0		0	DR
ED	15	53	37	67	450	54	41	26	12	6	0	1	1		764	ED
EE	327	216	264	333	4,533	407	502	114	189	27	18	176	252		7,357	EE
EH	0	0	0	0	0	0	0	0	0	0	0	0	0		0	EH
EI	183	115	148	222	6,496	468	5	73	149	25	8	14	20		7,926	EIA
EM	189	68	178	86	3,730	627	775	124	532	108	479	892	1,274		9,061	EM
FE	116	66	67	62	2,240	252	424	66	363	29	19	116	165		3,983	FE
GC	68	54	61	174	2,974	180	100	3	61	16	0	4	5		3,699	GC
HG	8	26	30	115	673	18	13	2	12	5	0	1	1		903	HG
HR	68	107	116	55	1,573	181	173	30	52	57	0	3	5		2,421	HR
HS	242	157	156	70	7,031	751	456	15	96	71	15	57	88		9,204	HS
IG	51	61	42	112	1,252	92	73	3	113	12	0	7	10		1,827	IG
IM	229	69	109	55	4,288	497	575	25	36	37	31	15	22		5,988	IM
IN	45	120	47	38	3,313	645	4	2	43	12	0	0	1		4,270	IN
LM	12	23	28	18	377	39	113	7	23	12	4	23	33		712	LM
MA	155	321	244	406	7,540	567	348	126	98	46	0	9	13		9,873	MA
NA	550	302	228	263	14,333	2,098	1,445	186	998	163	220	1,254	1,792		23,831	NA
NE	104	56	56	83	1,884	198	132	92	167	40	25	102	145		3,082	NE
NR	0	2	0	4	0	43	0	0	86	3	0	118	168		423	NR
OE	45	46	34	31	839	167	42	0	23	13	10	20	28		1,297	OE
PA	16	48	178	43	276	52	26	1	8	15	0	1	1		664	PA
PI	54	22	62	65	1,362	148	97	35	39	4	0	3	4		1,894	PI
RW	49	29	40	38	1,268	147	189	0	70	30	34	76	108		2,078	RW
S	28	29	40	154	858	100	48	0	11	1	0	1	1		1,272	S
SC	240	111	156	247	3,288	423	423	54	467	36	95	598	855		6,994	SC
WAPA	1	17	0	75	126	7	145	0	675	10	5	0	0		1,061	WAPA
FO	0	0	0	0	0	0	0	0	0	0	1	0	0		1	FO
TOTAL	\$2,983	\$2,276	\$2,549	\$3,068	\$74,431	\$9,119	\$6,776	\$1,007	\$4,421	\$825	\$1,000	\$3,496	\$5,000	\$120	\$117,070	

PROJECTED CUSTOMER COSTS FY 2009
(\$ IN THOUSANDS)

ORG CODE	MAIL	COPYING SERVICE		PRINTING & GRAPHICS LAI	BLDG OCCUP							I-MANAGE			Table E	
	SHUTTLE BUS	LAI	COURIERS AND MESSENGERS		STAIRWELL SAFE HAVEN	FACILITIES	PROPERTY	TRANSPORTATION	TRAVEL	DCAA	CORP TRAINING SERV OLC	STARS	STRIPES	ORFSC	TOTAL ALL ACTIVITIES	
BPA	0	1	6	5	3	10	0	0	9	0	285	0	0	0	319	BPA
CF	21	16	29	11	83	243	13	0	0	0	20	2	4	61	504	CF
CI	0	2	35	5	14	47	3	22	3	0	3	0	2	1	136	CI
CN	0	2	0	4	0	98	30	0	0	0	0	10	3	0	147	CN
DR	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	DR
ED	0	2	1	7	12	40	2	16	1	0	3	0	3	1	87	ED
EE	4	9	11	33	122	400	27	87	7	752	0	50	81	48	1,632	EE
EH	0	0	0	0	0	0	0	0	0	0	17	0	0	0	17	EH
EI	1	9	5	26	175	418	27	35	2	1	33	4	9	14	760	EIA
EM	63	16	4	7	100	201	21	24	9	5,502	119	255	396	112	6,828	EM
FE	29	7	23	5	60	198	14	13	3	1,575	81	33	349	102	2,493	FE
GC	1	5	16	22	80	236	8	5	1	0	13	1	4	2	394	GC
HG	0	2	0	16	18	0	1	0	0	0	3	0	2	1	43	HG
HR	5	5	22	4	42	139	6	11	1	0	12	1	4	2	254	HR
HS	78	24	27	10	188	478	61	3	11	211	64	(4)	47	29	1,227	HS
IG	5	3	7	10	34	110	7	8	0	0	25	2	4	13	228	IG
IM	30	9	93	4	115	573	82	24	1	2	8	4	9	4	958	IM
IN	0	5	63	3	89	0	0	0	0	0	10	16	6	0	191	IN
LM	1	1	0	1	10	33	2	3	1	0	5	7	12	7	84	LM
MA	29	25	125	36	203	480	131	19	7	10	22	3	4	7	1,102	MA
NA	113	28	51	14	384	937	77	54	56	2,864	265	358	547	275	6,025	NA
NE	28	4	35	8	51	166	9	16	4	446	40	29	111	22	970	NE
NR	0	0	0	0	0	0	0	0	0	363	20	34	0	0	417	NR
OE	1	3	1	4	23	74	3	32	1	0	5	6	17	10	178	OE
PA	0	13	1	3	8	24	2	0	1	0	2	0	15	1	69	PA
PI	0	4	3	5	37	120	6	46	9	0	9	1	2	4	247	PI
RW	1	4	1	4	34	111	17	11	1	14	16	22	70	17	323	RW
S	0	4	22	6	23	76	4	29	16	0	3	0	0	0	184	S
SC	16	10	93	26	88	283	26	48	1	3,692	115	171	477	62	5,108	SC
WAPA	0	0	0	11	4	11	0	0	1	23	152	0	222	0	424	WAPA
FO	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	FO
TOTAL	\$425	\$217	\$675	\$290	\$2,000	\$5,506	\$580	\$507	\$145	\$15,455	\$1,350	\$1,004	\$2,400	\$795	\$31,350	

PROJECTED CUSTOMER COSTS FY 2009
(\$ IN THOUSANDS)

Table F

ORG CODE	SUPPLY	MAIL	COPYING SERVICE	PRINTING & GRAPHICS	BLDG OCCUP	PHONE SERVICE	NETWORK	PROCUREMENT MGT	PAYROLL & CHRIS	CORP TRAINING SERV	PROJECT MANAGEMENT CAREER DEVELOPMENT PROGRAM	IMANAGE	INTERNAL CONTROL	INDIRECT	TOTAL ALL ACTIVITIES	
BPA	1	17	35	27	138	12	47	0	0	291	0	0	0		568	BPA
CF	152	105	186	153	3,421	345	525	20	89	53	31	73	8	120	5,281	CF
CI	24	36	65	57	618	70	41	2	11	8	0	4	1		937	CI
CN	11	24	33	43	128	531	14	1	0	3	3	13	0		804	CN
DR	0	0	0	0	0	0	0	0	0	0	0	0	0		0	DR
ED	15	54	40	74	520	54	41	26	12	9	0	5	1		852	ED
EE	327	220	284	366	5,177	407	502	866	189	27	18	356	252		8,990	EE
EH	0	0	0	0	0	0	0	0	0	17	0	0	0		17	EH
EI	183	116	163	248	7,154	468	5	74	149	58	8	41	20		8,686	EIA
EM	189	131	198	94	4,085	627	775	5,626	532	227	479	1,654	1,274		15,889	EM
FE	116	94	97	67	2,528	252	424	1,641	363	110	19	596	165		6,472	FE
GC	68	54	81	195	3,305	180	100	3	61	29	0	11	5		4,093	GC
HG	8	26	32	131	692	18	13	2	12	8	0	4	1		946	HG
HR	68	112	144	60	1,771	181	173	30	52	69	0	10	5		2,675	HR
HS	242	235	207	80	7,771	751	456	226	96	135	15	129	88		10,431	HS
IG	51	65	51	122	1,412	92	73	3	113	37	0	26	10		2,054	IG
IM	229	99	212	59	5,083	497	575	27	36	45	31	32	22		6,946	IM
IN	45	120	115	41	3,402	645	4	2	43	22	0	22	1		4,461	IN
LM	12	24	30	19	426	39	113	7	23	17	4	49	33		796	LM
MA	155	350	395	442	8,380	567	348	136	98	68	0	22	13		10,975	MA
NA	550	415	307	277	15,841	2,098	1,445	3,050	998	428	220	2,435	1,792		29,856	NA
NE	104	84	95	90	2,130	198	132	538	167	80	25	264	145		4,052	NE
NR	0	2	0	4	0	43	0	363	86	23	0	151	168		839	NR
OE	45	47	37	34	971	167	42	0	23	18	10	52	28		1,475	OE
PA	16	48	192	46	311	52	26	1	8	17	0	17	1		733	PA
PI	54	22	69	70	1,581	148	97	35	39	13	0	10	4		2,141	PI
RW	49	29	45	43	1,442	147	189	14	70	46	34	184	108		2,401	RW
S	28	29	67	160	1,007	100	48	0	11	4	0	1	1		1,456	S
SC	240	127	260	273	3,734	423	423	3,746	467	151	95	1,308	855		12,102	SC
WAPA	1	17	0	86	142	7	145	23	675	162	5	222	0		1,486	WAPA
FO	0	0	0	0	0	0	0	0	0	0	1	0	0		1	FO
TOTAL	\$2,983	\$2,701	\$3,441	\$3,358	\$83,169	\$9,119	\$6,776	\$16,462	\$4,421	\$2,175	\$1,000	\$7,691	\$5,000	\$120	\$148,415	